

Decision Maker's Guide to Employer Reporting Requirements

August 2008 Issue

This document is available at CalPERS On-Line in the [PERT](#) area.
We recommend that you use the hyperlinks in APPENDIX A.

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Introduction

This is the first issue of the *Decision Maker's Guide to Employer Reporting Requirements*. This information is intended for those individuals who are responsible for making the key decisions regarding how your organization will report payroll and enrollment data to CalPERS.

CalPERS relies on technology to manage your information, and it's important that we have the best systems to retrieve your information and manage your accounts. CalPERS is developing an integrated technology platform that will provide faster and more reliable service to CalPERS customers. We're using the power of the Internet to make conducting business with us easier than ever for both members and employers.

In 2010, our new integrated technology platform will extend the self-service capabilities of our current myCalPERS Web site, offering flexible and responsive services for *both members and employers*. As we expand our capabilities to meet the needs of our customers, all your business transactions with CalPERS will be quick, easy, reliable, and secure.

CalPERS has assigned a team of business and technical experts, known as the Public Employer Readiness Team (PERT) to provide you with:

- Communication about improvements to the system.
- Information to help you make key decisions to prepare for these changes.
- Guidance and training about important dates and milestones.

Please use this information as your guide in preparing for your transition. All of the documents referenced in this guide are available on the [PERT](#) Web area of CalPERS On-Line. Visit www.calpers.ca.gov/pert. Links to the documents may be found in Appendix A of this document.

Who Should Read This Information Guide?

Public Agency

Decision-makers of schools (K-12, community colleges, county education offices), courts, and local public agencies, including cities, counties, and special purpose districts, should read this document.

State Agency

Decision-makers of central, non-central, and California State Universities, should read this information packet and note that there is a state-specific file format for payroll reporting and for pension and health enrollment files.

What is the Purpose of This Information Guide?

The purpose is to bring decision-makers of CalPERS contracted agencies up to date about changes that will significantly improve the way in which agencies share information and do business with CalPERS. We also want to make sure you understand the technical aspects of these changes so that you have time to plan and prepare for the work required by your organization.

What Do Agency Decision-Makers Need to Know Immediately?

CalPERS is developing an integrated business technology platform that will provide faster and more reliable service to all CalPERS members, participants and business partners.

In 2010, CalPERS will expand the my|CalPERS system to provide robust services for *employers as well as for members and participants*.

The transition to this new business system will affect all agencies contracted for the following CalPERS programs:

- Review Retirement: including State, Schools, Local Public Agencies, and Judges programs.
- Health Benefits: including all PEMHCA agencies.

- Supplemental Income Plan: including all 457 plan agencies.

What is changing?

The method by which your agency enrolls members and participants for health or retirement benefits and reports payroll contributions to CalPERS will change, such as:

- The format of the reporting file is changing to XML (Extensible Markup Language).
- The structure of the reporting file will include new data elements.
- Business reporting rules are changing.

These changes do not apply to the processes for health and retirement enrollment for Legislators and Supplemental Income Plans.

When is the CalPERS business system changing?

The change will be completed and “go live” in 2010.

What are the major differences between how your agency reports now and how it will report beginning in 2010?

1. All reporting will be done using the Internet.
2. Pre-list, data diskette, tape reporting and ACES reporting will no longer be used.
3. Files sent to CalPERS will need to be in XML format.
4. We will require new data elements in the files. For example:
 - For increased security, the *Participant CalPERS ID* is a new 10-digit number that will be used to identify the member in contribution files instead of using the member's Social Security Number. Prior to system “go live,” CalPERS will send you a file with the CalPERS ID for each of your existing employees.
 - The *Employer CalPERS ID* is a new 10-digit number that will replace the CalPERS Employer Number/Unit Code combination.

5. The contents of the payroll contributions file for the reporting and reconciliation processes have been simplified. For example:
- You will be able to submit retirement enrollment and payroll contribution files together in one file or separately in two files.
 - You will be able to report retroactive adjustments across multiple pay periods in a single file by specifying a date range.
 - You will be able to send working retiree data in the file. The system will also be able to accept data for non-members and participants, should future legislation require this information.

What must your agency do to be ready by Spring 2010?

At a minimum, your agency must be ready to enroll, update and report using my|CalPERS. This document contains additional information regarding the new reporting methods. You also can view more detail on the [PERT](#) Web area of CalPERS On-Line.

What Immediate Steps Should Your Agency Take?

Get the right people in your agency involved.

Please share this information with your agency's Information Technology, Human Resources, and Finance staffs. This change will affect all three groups and may require substantial and coordinated preparation.

Identify the appropriate point of contact for your agency has been identified to CalPERS.

PERT has established a point of contact with all contracted employers who enroll members and participants or report payroll contributions to CalPERS. If your agency does not have a point of contact person, or your person has changed, please notify CalPERS by submitting the information online through the [PERT](#) Web area of CalPERS On-Line.

Get your third party payroll service/software provider involved.

If your agency uses a third party payroll service or reporting software provider to prepare your CalPERS payroll contributions reports, please share this information with that provider immediately. CalPERS wants to assist third party providers to prepare for this change.

Sign up for Employer Web Conferences.

Start to plan for appropriate staff to enroll in the appropriate employer education Web conferences. The [PERT](#) Web area of CalPERS On-Line will have additional information regarding the conferences and how to enroll online.

Review the new reporting formats.

Please have appropriate staff review the new file structures found on the PERT Web area of CalPERS On-Line to help you assess how your agency can adopt these changes in a timely manner.

Select your reporting method(s).

Choose one or more of the three methods that you will use to report information to CalPERS, when the system is implemented in 2010. Descriptions of these three methods follow and were a major subject of the Employer Web Conferences scheduled from August through December 2008.

What are the Three Methods of Reporting?

By October 15, 2008, you must have chosen your methods to report information to the new CalPERS that will be launched in 2010.

Online Data Entry

You will log on to my|CalPERS to enter enrollment and payroll contributions data directly into CalPERS online system.

File Upload

You will create an XML file containing enrollment and payroll contributions data and use the Internet to upload that file to CalPERS system for processing.

FTP

You will create an XML file containing enrollment and payroll contributions data and have a scheduled process that will FTP this file to CalPERS.

What do I Need to Consider When Choosing a Reporting Method?

It will be useful to know how each reporting method works and what factors to consider when making your choice(s). The information below details those considerations:

Online Data Entry

- Employers are not required to test their file and data submissions to CalPERS before "go live." They will need to complete training on system access and use.
- This method is a good choice for enrollment data submission for any sized employer.
- This method is a good choice for payroll contribution data submission for employers with 250 or fewer employees. This method may be an appropriate choice for payroll data submission for employers with fewer than 1,000 employees.

File Upload

- Review and compare file formats to identify the differences in the data requirements.
- File format testing before "go live" is required.
- Some employers will participate in formal data testing.
- The employer creates an XML file.
- Corrections to data can be made using the online system or by resubmitting the file.
- Less staff time is required.

- This method is an appropriate choice for employers with more than 1,000 employees, or 250 or more employees, if the payroll contribution report changes significantly from period to period.

FTP (File Transfer Protocol)

- Review and compare file formats to identify the differences in data requirements.
- File format testing before "go live" is required.
- Some employers will participate in formal data testing.
- This method allows you to systematically create and transfer an XML file.
- Corrections to data can be made using the online system or by resubmitting the file.
- Less staff time is required.
- This method is a good choice for an employer with more than 250 employees.
- This is the recommended method for employers with more than 10,000 employees.

Employers can choose any combination of these three methods to submit data to CalPERS. The best method for a given employer will depend on the size of your staff, backend system functionality, and volume of records transmitted to CalPERS.

Enrollment data volumes for all employers are typically low enough to sustain using online data entry. An employer with a small number of employees may find online data entry acceptable for updating payroll data on a regular basis.

Employers with a larger number of employees, but with a smaller IT staff or limited system functionality, may find that creating an XML file for File Upload is best. Larger employers with sophisticated systems may find that FTP is the most efficient method. Most agencies will find that one of the methods suits their needs better than the other two methods.

Review the file formats to understand the data requirements and the differences between what is being reported today and what will need to be stored and reported to CalPERS after the new system is implemented. If the File Upload or FTP methods are good candidates for your agency, the XML schemas (file structures) are provided to assist your technical staff in building files with the required structure.

Files submitted by secure File Upload or secure FTP require a format check, where the header data on the file is validated. The system notifies the employer if the file does not pass the format check.

All three methods validate the data against a set of business rules before the system posts the data. Data records that pass the business rule check will be accepted and posted. The system identifies failing records for the employer for online correction or file resubmission.

CalPERS provided more information about these three methods in the Employer Web Conferences (Phase One) during August through December 2008.

This chart summarizes key attributes of the three reporting methods:

| | Online Data Entry | File Upload | FTP |
|---------------------------------|--|--------------------------|--|
| Site of file creation | CalPERS business system | Employer business system | Employer business system |
| File transfer method | No transfer | Secure file upload | Secure FTP (File Transfer Protocol) |
| File transfer timing | No transfer | Employer initiated | Scheduled |
| Enrollments | Yes. Recommended for any employer | Yes | Yes |
| Payroll contributions reporting | Yes. Not recommended for 250 or more employees | Yes | Yes. Recommended for 10,00 or more employees |

How Will my Agency Inform CalPERS of its Chosen Reporting Method?

Visit the [PERT](#) Web area of CalPERS On-Line, where you will be able to select your reporting method. After attending the Phase One Employer Web Conference, visit the Web page to choose the reporting method(s) for your agency.

Web Conference Information.

PERT will guide employers through the introduction and adoption of the new system in three phases. In these phases, we will deliver information that is key to your agency via Web conferencing. We encourage you to invite your staff to participate together on a single conference line.

Phase One

In August through December 2008, CalPERS held several sessions of an Employer Web Conference (approximately two hours) to discuss how to choose your new reporting method.

Topics will include:

- New file format and structure.
- Definitions of fields.
- Description of reporting methods.
- Issues to consider.
- Technical support.

Phase Two

In Spring through Fall 2009, CalPERS will hold several sessions of Employer Web Conferences (approximately two hours) to discuss the changes to CalPERS business rules and the Employer Readiness Testing Program.

Topics will include:

- Business policy/procedure changes.
- Testing requirements.
- Schedule.
- Technical support.

Phase Three

From Fall 2009 through Spring 2010, CalPERS will hold several sessions of an Employer Web Conference (approximately four hours) to train your staff on how to make the most of the new CalPERS business system. We encourage you to require your staff to attend this session.

Topics will include:

- How to use the system.
- Features, functions, capabilities.
- Business policy/procedure changes.
- Technical support.

How Can I Enroll in the Employer Web Conferences?

Visit the [PERT](#) Web area of CalPERS On-Line. In Appendix A, you will find a link to the place where you can enroll in the Employer Web Conference that is appropriate for your business.

What are the New File Structures?

The data elements, file layouts and schemas for the enrollment and payroll contributions reporting for all CalPERS programs are available on the [PERT](#) Web area of CalPERS On-Line.

There is an XML file schema for the payroll file, an XML schema for the enrollment files, and file layouts with data element descriptions for all four files:

- Payroll contribution file.
- Enrollment file for the Retirement Benefits Program.
- Enrollment file for the Health Benefits Program for State Agencies.
- Enrollment file for the Health Benefits Program for Agencies.

Important points to note:

- For increased security, CALPERS will not use Social Security Numbers as the unique identifier of members and participants. Instead, CalPERS will provide a unique identifier for each member or participant, which reporting agencies will store and use for reporting purposes.
- Employers can submit the payroll contribution and retirement enrollment files as a combined file, or as separate files. The combined file feature reduces the opportunity for reporting errors.
- We are changing codes to be more meaningful and referencing them with titles that will be easier to understand.

Which Business Reporting Rules Are Changing?

Several business policies and procedures are likely to change. We will deliver more details of these changes during the second and third phases of employer education.

How Will CalPERS Assist in Preparing Third Party Payroll Service and Software Providers?

Employers are responsible for working with their payroll service and software providers to make the changes necessary to complete readiness-testing activities. CalPERS cannot instruct vendors to perform work for their clients. However, CalPERS will:

- Collect information regarding the payroll service and software providers that are serving employers today.
- Assist the payroll service and software providers in verifying that their systems can accommodate the changes required to do business with CalPERS in the future.
- Provide the third party payroll service and software information in the [PERT](#) Web area of CalPERS On-Line.
- Publish a list of providers that have successfully completed readiness test activities in early 2010.

What are the Readiness Testing Requirements?

The steps for readiness testing will depend on the reporting method you choose.

Online Data Entry:

CalPERS will provide readiness testing times and procedures in Phase Two.

File Upload or FTP:

Employers who choose either secure File Upload or secure FTP reporting methods will need to submit a test file in the required format to CalPERS for certification. The readiness test is basic: prepare test files; deliver them to CalPERS for check; review and correct any resulting error messages. If the test files process without errors, then the employer is ready.

Certification is complete when the employer creates and transfers successful test file(s) during the 2009 testing period. Employers who choose to deliver files by secure FTP also will need to demonstrate that ability during this testing period.

Which Dates are Most Important to My Agency?

Continuous

CalPERS will contact employers to identify a single point of contact from each agency to confirm that appropriate staff is aware of all communications related to this change.

Phase One:

By July 15, 2008

CalPERS will establish phone support (via the Employer Contact Center) to answer your questions about readiness requirements and plans.

August 2008 through December 2008

CalPERS will conduct Employer Web Conferences to deliver information about the reporting methods and to answer questions. Online registration will open in August 2008.

By October 15, 2008

Employers will choose the methods to report information to CalPERS. The form for making this selection is available on the [PERT](#) Web page of CalPERS On-Line.

October 27-29, 2008

CalPERS will conduct user interface demonstrations at the Employer Education Forum (Indian Wells, California).

Phase Two:

Spring through Fall 2009

CalPERS will conduct Employer Web Conferences to discuss the changes to business policies and procedures and provide information related to the Employer Readiness Testing Program. Online registration will be available.

Phase Three:

Fall 2009 through Spring 2010

CalPERS will conduct several sessions of Employer Web Conferences to train your program staff about how to use the new CalPERS business system.

CalPERS and employers will test your readiness to transfer files. Employers who use secure File Upload or secure FTP file transfer are required to participate in readiness-testing activities.

2010

my|CalPERS for employers will "go live." All reporting to CalPERS is via Online Data Entry, secure File Upload of XML files, and secure FTP of XML files.

Where Can I Get More information?

Explore the [PERT](#) area page of CalPERS On-Line. It contains more information than could be included in this guide and has the most updated information. Some of the information you will find there includes:

- The link to sign up for Employer Web Conferences.
- Forms for selecting your reporting method.
- Business partner contact information.
- File formats. including data element definitions.
- Details on XML file schema definitions.
- Data element definitions.
- • Implementation timeline.
- Frequently Asked Questions (FAQs).
- Email PERT at PERT4U@calpers.ca.gov.
- Call **888 CalPERS** (or **888-225-7377**). In the main menu, press 2 for "Employer." Then press 4 for "Other Services."

Project Benefits and Other Information.

This new system will replace 49 systems currently in use by CalPERS, including the Automated Communications Exchange System (ACES). In addition, the new system will provide a streamlined self-service environment for completing retirement, health, and Supplemental Income Plan transactions with CalPERS.

my|CalPERS will enable all employers to use the Internet as the channel for conducting their business with CalPERS. The technology system establishes the foundation for achieving this vision. The new, modernized database system – the engine used to manage member, participant and employer enrollment, and payroll contributions and benefit information – will harness the power of the Internet, resulting in greater efficiency, accuracy, versatility, convenience, and savings. It will be an integrated platform spanning all CalPERS business lines.

Benefits to Employers:

The new technology will significantly improve our service to you. Our new self-serve system will allow you to:

- Identify payroll contributions submission errors and make corrections quickly online without resubmitting the entire payroll contributions file.
- Be confident that error-free payroll contributions records are posted in the new system within 24 hours.
- Submit information electronically and receive immediate notification if records need correction.
- Access to your employer account including billing and payment information, update contact information, and view contract provisions.
- Make payments online through EFT (Electronic Fund Transfer).
- Construct various retirement contract provision scenarios with valuation results returned electronically.
- Check the status of various transactions, including employer-initiated, member/participant disability retirement applications (in process, approved, denied, closed, and other statuses).

What Will Change for Employers?

We intend to give you advance notice about steps you may need to take as the new technology system elements are implemented. We also will inform you about changes your employees may experience from the new system.

Key changes for employers will include the following:

- Employers will begin providing payroll contribution and enrollment information over the Internet. We will not use ACES, prelist, tape, diskette transfers or AESD1.
- Within the CalPERS provided business system environment, you will be able to copy payroll contribution information from a previous period, make changes manually online, and submit the updated payroll contribution data.
- The new file format will be XML. This is a common format that is easy for employers to produce and it allows you to share large amounts of data with CalPERS in a reasonably-sized file. Most payroll contribution programs produce XML files today.
- The content and structure of the payroll contribution file simplify the reporting and reconciliation processes. Changes to the enrollment and payroll contribution reporting files include:
 - Codes are more meaningful and have easy-to-understand titles.
 - Retirement enrollment and payroll contribution files can be submitted together in one file, or separately in two files.
 - Retroactive adjustments across multiple pay periods can be reported in a single file by specifying a date range.
- The file can include working retiree data. The new system is able to accept data for all non-members or participants, should legislation change to require this information in the future.
- The new system uses a new unique identifier to identify members and participants when sharing data with CalPERS. For example, the member CalPERS ID replaces the use of Social Security Numbers in payroll contribution files. The member CalPERS ID will be included on all correspondence with employers, members and participants beginning in late 2009. The member CalPERS ID will be a randomly-generated number that is 10 digits long.

Benefits to members and participants:

In addition to changing the business process for employers, the new technology will greatly expand the functionality available to members and participants through my|CalPERS. Members and participants will be able to:

- View real time retirement and health account information such as contributions, service, service purchase payments made and Supplemental Income Plan balance.
- Elect service credit purchases.
- View the status of requests; for example, a service credit purchase.
- Complete retirement estimates and applications electronically with payroll contribution data as of the last payroll contribution submission.
- Elect retirement and refunds online.

Members and participants will also experience:

- Reduced dependence on paper forms (such as retirement applications, service credit election and beneficiary designations).
- Adjustments to retirement benefits will become rare.
- Benefit estimates will be integrated and include:
 - Retirement benefits (all options).
 - Supplemental Income Plan benefits.
 - Service credit purchase options.
 - Refund eligibility (if applicable).
- Retirees will be notified automatically by their preferred communication method (email or U.S. Mail), when CalPERS learns of health coverage changes.

What will change for our members and participants?

Members and participants will be encouraged to use the new self-service functionality when doing business with CalPERS. This change will reduce the time required to complete transactions and reduce questions to employers because members and participants can track the status of transactions and access information more easily over the Internet.

Important Online Pages

[PERT](#) Web area of CalPERS On-Line

[Identify Point of Contact for Your Agency](#)

[Web Conference Information](#)

Web Conference Enrollment

[Select Reporting Method](#)

Data Element Definitions

[File Formats](#)

[Download Schemas](#)

[Frequently Asked Questions](#) (FAQs)